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NSC 50

EXECUTIVE OFFICE OF THE PRESIDENT

NATIONAL SECURITY COUNCIL

WASHINGTON

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EX-10

408

December 28, 1949

RETURN TO S/S-CC
ROOM 7512D NS/E

File

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

SUBJECT: The Central Intelligence Agency and National
Organization for Intelligence

- REFERENCES: A. Memo for NSC from Acting Executive Secretary,
same subject, dated December 14, 1949.
B. Memo for NSC from Executive Secretary, same
subject, dated October 10, 1949, with en-
closed Progress Report by the Director of
Central Intelligence.
C. NSC 50

The enclosed Progress Report by the Director of
Central Intelligence with respect to the implementation of
paragraphs 4, 5, and 6 of NSC 50 is circulated herewith for
the information of the National Security Council.

No action on the enclosure has been requested by
the Director of Central Intelligence.

SIDNEY W. SOUERS
Executive Secretary

cc: The Secretary of the Treasury
The Attorney General

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INT 880/2

#651

CENTRAL INTELLIGENCE AGENCY
Washington 25, D. C.

27 December 1949

MEMORANDUM FOR: THE EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

SUBJECT: Particular Intelligence Questions Requiring
Coordination or Attention

REFERENCE: (a) Section 4c(2) of NSC 50
(b) Memorandum to Director, 8 July 1949 from
Executive Secretary, NSC
(c) Memorandum to Director, 14 December 1949
from Acting Executive Secretary, NSC

The following report is submitted in accordance with Section 4 of NSC 50 which lists particular intelligence questions requiring coordination or attention, and requests the Director of Central Intelligence to submit to the Council within six months a report of progress in these matters.

1. Scientific Intelligence. On 1 January 1949 an Office of Scientific Intelligence was established as one of the major offices in the Central Intelligence Agency. This office is being well staffed and is now devoting its time to matters of scientific intelligence in conjunction with other offices of the Government interested in this subject. DCI Directive 3/3, based on NSCID 3, was issued with IAC concurrence on 28 October 1949 establishing an interdepartmental Scientific Intelligence Committee to plan, support, and coordinate production of scientific intelligence as it affects the National Security.

2. Domestic Intelligence. The Federal Bureau of Investigation is now a member of the Intelligence Advisory Committee so that domestic intelligence and related matters will be coordinated with foreign intelligence matters. The Office of Special Operations in the Central Intelligence Agency is working closely with the Federal Bureau of Investigation on matters where their respective interests are related.

3. Crisis Situations. On 2 February 1949, at a regular meeting of the Intelligence Advisory Committee, it was agreed to expedite the handling of intelligence matters when there were crisis situations. To confirm this agreement in writing, it is hoped that a directive on this subject may be issued this month,

- 1 -

UNCLASSIFIED

UNCLASSIFIED

INT 880/3

after agreement has been reached on the method of issuing it. This was referred to the NSC on 19 December 1949* after an IAC meeting, at which agreement on the method was not reached.

4. Political Summaries. As the intelligence facility of the National Security Council and the President, the Central Intelligence Agency must continually and systematically report all developments, political, economic, military, and otherwise, which materially affect or have a bearing upon United States national security and objectives abroad. While CIA's Daily and Weekly Summaries are based to a considerable degree upon Department of State materials, the major cause for this situation derives from the fact that the Department of State makes its highest level intelligence and operational materials, which have utility for intelligence purposes, available to the Central Intelligence Agency whereas the Departments of Army, Navy and Air Force normally do not provide operational details. It is hoped that this situation will be improved. Moreover, in periods of relative peace, the bulk of intelligence is of a political and economic, rather than military, nature. The Central Intelligence Agency's intelligence summaries are the only ones designed primarily for the President and the National Security Council. Each departmental intelligence agency is authorized to produce such current publications as are required to meet its own departmental needs.

5. Exploitation of Foreign Nationality Groups and Individuals. This work is being undertaken as follows:

a. Foreign Radio Broadcasts Within the U.S.: A recent survey shows that 131 radio stations in the U.S. broadcast to Foreign Nationality Groups in 39 languages. Authorized transmitter power is so low that only 5% of these stations, covering 10 languages, can be monitored with present FBID facilities. The foreign intelligence potential of these stations is considered of such little value that the diversion of effort from foreign broadcasts is considered uneconomical and unwarranted.

b. Foreign Language Publications Within the U.S.: Whereas the foreign intelligence potential of the 733 publications was considered negligible during the war years, a continuing survey shows an increasing tendency to employ foreign correspondents which enhances their intelligence potential. At present six publications of this type receive regular screening.

c. Foreign Nationality Groups: These Groups are being exploited in the large cities of the U.S. by CIA's 14 regional field offices for foreign intelligence information and for assistance in identifying aliens of high intelligence potential

*Memo for NSC from Executive Secretary, subject, "Crisis Situations", dated December 22, 1949.

- 2 -

UNCLASSIFIED

UNCLASSIFIED

INT 880/4

among the recently arrived DP's and other immigrants. Close coordination with the FBI is in effect.

d. Individual Aliens: The exploitation of these sources is performed under the provisions of NSCID No. 7 and carried out on behalf of all of the IAC agencies. After clearance with the covert offices of CIA and FBI, the regional field offices fulfill their joint intelligence information requirements either by arrangement of interviews or by means of responsive information reports.

6. Covert Intelligence in Occupied Areas. Action has been taken with the Intelligence Division, GSUSA, to effect a closer coordination of such activity, which has resulted in appreciable improvement in the situation and a substantial increase of coordination in both the Far Eastern and European Areas.

7. Defectors. For over a year, this subject has been under consideration by the interested agencies. After much discussion and revision, a proposed NSCID was compiled on "Exploitation of Defectors and Other Aliens Within the United States" and circulated in December to the Intelligence Advisory Committee agencies for the usual approval before submitting it to the National Security Council. A corollary proposal on the "Exploitation of Soviet and Satellite Defectors Outside the United States" was also submitted to the Intelligence Advisory Committee agencies.* It is hoped that both proposals will soon be approved by the IAC so that they may be submitted to the NSC as proposed NSCIDs for early issuance.

E Until these over-all policy directives are established and put in operation, there is functioning a Pro Tem Interdepartmental Working Committee to handle problems on the important cases of defectors which arise and which have accumulated to date. It is hoped that before long the over-all directives will be approved and issued, so that the pro tem work of this nature may be discontinued and this work placed on a firmer and more regular basis. The chief difficulty with regard to this problem is the ultimate disposal of defectors and the costs entailed therein.

8. Counter-espionage Activities Abroad, and Closer Liaison With the Federal Bureau of Investigation. Central Intelligence Agency's Office of Special Operations has placed increased stress on its counter-espionage functions and on counter-espionage activity abroad on a continuing basis.

*Subsequently submitted for consideration by the National Security Council; memo for NSC from Executive Secretary, subject, "Exploitation of Soviet and Satellite Defectors Outside the United States", dated December 20, 1949.

- 3 -

UNCLASSIFIED

2205

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INT 880/5

The Office of Special Operations' liaison and cooperation attendant thereon with the Federal Bureau of Investigation have increased effectively over a considerable period of time. Obviously the closest possible working relationship is not only highly desirable but also necessary to developing the closest possible counter-espionage liaison with the Federal Bureau of Investigation. The Central Intelligence Agency feels that this liaison relationship at the present time is close, effective, and mutually advantageous.

9. With regard to Sections 5 and 6 of NSC 50, mentioned in the memorandum of 14 December 1949 from the Acting Executive Secretary of NSC, transmitting a copy of the memorandum dated 13 December from the Under Secretary of State, the following organizational realignment of the Office of Reports and Estimates in CIA was approved some weeks ago and is to a large extent now in operation, relating to Section 6a(2) of NSC 50, in addition to the plan already compiled in compliance with Section 6a(1):

a. An Estimates Production Board, under the chairmanship of the Assistant Director for Reports and Estimates, has been established, composed primarily of the Chiefs of the regional and functional divisions of the Office of Reports and Estimates. Among other duties it is responsible for recommending the scope and terms of reference of national intelligence estimates; participation in production and final substantive review of such estimates prior to transmittal to the IAC for coordination; and advising the Assistant Director for Reports and Estimates on the adoption of proposed intelligence production programs to ensure that adequate priorities are given at all times to the production of high level estimates.

b. Each regional division of the Office of Reports and Estimates has been realigned to provide (1) an Estimate Staff, and (2) three or more regional, analytical, and research branches. They afford separate facilities for high level estimates, and other reports and research studies required for production of estimates but which are not available from the departmental intelligence agencies. This realignment permits the retention of centralized substantive and production controls under each division chief and provides separate allocation of manpower for each category of production.

(1) The Estimates Staff of each regional division produces national intelligence estimates within its area in accordance with DCI 3/1 procedures and is of sufficient size to ensure adequate production in this category.

(2) The analytical and research branches retain their present geographic responsibilities and are continuing systematically to examine, identify and analyze the significance of emergent trends within their areas of

- 4 -

~~UNCLASSIFIED~~

2206

UNCLASSIFIED

INT 880/6

responsibility in order to provide the regional Estimates Staff with processed intelligence data. These data are for use in the production of national intelligence estimates, as well as reports and estimates in those fields of common concern which are appropriate to regional, as distinguished from purely functional, treatment.

c. A Central Research Group has been established consisting initially of the Map Division, the National Intelligence Survey Division (Basic Intelligence Group, redesignated), and the General Division (formerly the General Division, Plans and Policy Staff). At such time as it is determined to conduct additional intelligence research in fields of common concern, additional facilities for this purpose will be added to the Central Research Group.

10. Further organizational realignment of the Office of Reports and Estimates may be required if changes are made within the IAC agencies.

11. With specific reference to paragraph 5 of NSC 50, the Central Intelligence Agency has undertaken the problem of intelligence production planning on a long-range and interdepartmental basis. It is believed that such planning will afford CIA and the IAC agencies a sound basis upon which to reach agreement regarding what intelligence needs to be produced and what departmental support can be provided to national intelligence production.

/s/ R. H. Hillenkoetter..

R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central
Intelligence.

- 5 -

UNCLASSIFIED

2207